

AGREEMENT BETWEEN

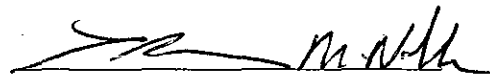
THE DEPARTMENT OF DEFENSE
OF THE UNITED STATES OF AMERICA

AND

THE MINISTER OF DEFENSE
OF THE KINGDOM OF SPAIN

FOR RESEARCH, DEVELOPMENT, TEST, EVALUATION, PRODUCTION, AND
LIFE CYCLE SUPPORT ACTIVITIES FOR
TECHNOLOGIES AND SYSTEMS
FOR AEGIS-EQUIPPED SHIPS
(AEGIS FRAMEWORK MOA)

Certified to be a true copy



Tom Noble, Navy IPO-01C1
Deputy Director, International Agreements

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ANNEX (a) TO ANNEX A
 COOPERATIVE PROJECT PERSONNEL FOR THE _____ PROJECT .. 1

PREAMBLE

The Department of Defense of the United States of America (U.S. DOD) and the Minister of Defense of the Kingdom of Spain (Spanish MOD), hereinafter referred to as the "Parties":

Having a common interest in defense;

Recognizing the benefits to be obtained from standardization, rationalization, and interoperability of military equipments;

Desiring to improve their mutual conventional defense capabilities through the application of emerging technology;

Recognizing the objectives of the Statement of Intentions for Enhanced Cooperation Between the United States Navy and the Spanish Navy in Matters Relating to In-Service Support of AEGIS-Equipped Ships of 19 October 2001;

Having a mutual need for research, development, test, evaluation, production, and life cycle support activities for technologies and systems for AEGIS-Equipped Ships to satisfy similar operational requirements; and

Desiring to establish a framework within this Memorandum of Agreement (AEGIS Framework MOA) to pursue cooperative efforts in individually negotiated AEGIS Combat System (ACS) Project Agreements (PAs) for research, development, test, evaluation, production, and life cycle support activities for technologies and systems for AEGIS-Equipped Ships;

Have agreed as follows:

ARTICLE I
DEFINITIONS

The Parties have agreed upon the following definitions for terms used in this AEGIS Framework MOA:

AEGIS Combat System	For purposes of this MOA, the AEGIS Combat System is defined as the AEGIS Display System (ADS), the AN/SPY-1D radar, the Command & Decision System(C&D), the Weapons Control System (WCS), the Fire Control System (FCS), the AEGIS Combat Training System (ACTS), the Operational Readiness Test System (ORTS), and the Vertical Launch System (VLS).
AEGIS Combat System Project Agreement (ACSPA)	An individually negotiated agreement, concluded after the AEGIS Framework MOA has entered into force, that specifically details the terms of collaboration on a specific project.
AEGIS-Equipped Ships	Those ships which are equipped with the AEGIS Combat System as defined in this MOA.
Classified Information	Official information that requires protection in the interests of national security and is so designated by the application of a security classification marking. This information may be in oral, visual, magnetic, or documentary form or in the form of equipment or technology.
Contract	Any mutually binding legal relationship under national laws that obligates a Contractor to furnish supplies or services, and obligates one or both of the Parties to pay for them.
Contracting	The obtaining of supplies or services by Contract from sources outside the government organizations of the Parties. Contracting includes description (but not determination) of supplies and services required, solicitation and selection of sources, preparation and award of Contracts, and all phases of Contract administration.
Contracting Agency	The entity within the government organization of a Party, which has authority to enter into, administer, or terminate Contracts.
Contracting Officer	A person representing a Contracting Agency of a Party who has the authority to enter into, administer, or terminate Contracts.

Contractor	Any entity awarded a Contract by a Party's Contracting Agency.
Controlled Unclassified Information	Unclassified information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations. Whether the information is provided or generated under this AEGIS Framework MOA or a ACS PA under it, the information shall be marked to identify its "in confidence" nature. It could include information, which has been declassified, but remains controlled.
Cooperative Project Personnel (CPP)	Military members or civilian employees of a Parent Party assigned to the Project Management Office or the other Party's establishments who perform managerial, engineering, technical, administrative, Contracting, logistics, financial, planning, or other functions in furtherance of a Project.
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Party.
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this AEGIS Framework MOA or an ACS PA under it.
Financial Contribution	Project costs met with monetary contributions.
Host Party	The Party whose nation serves as the location of the Project management office.
Non-financial Contribution	Project costs met with non-monetary contributions.
Parent Party	The Party that sends its CPP to the Project management office located in the nation of the other Party.
Patent	Legal protection of the right to exclude others from making, using, or selling an invention. The term refers to any and all Patents including, but not limited to, Patents of implementation, improvement or addition, petty Patents, utility models, appearance design Patents, registered designs, and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these.

Project	Collaborative activity done under an AEGIS Combat System Project Agreement (ACS PA) concluded pursuant to this AEGIS Framework MOA.
Project Background Information	Information not generated in the performance of a Project.
Project Equipment	Any material, equipment, end item, subsystem, component, special tooling or test equipment jointly acquired or provided for use in a Project.
Project Foreground Information	Information generated in the performance of a Project.
Project Information	Any information provided to, generated in, or used in a Project regardless of form or type, including, but not limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, designs, specifications, processes, techniques, inventions, drawings, technical writings, sound recordings, pictorial representations, and other graphical presentations, whether in magnetic tape, computer memory, or any other form and whether or not subject to copyright, patent, or other legal protection.
Project Invention	Any invention or discovery formulated or (conceived or "first actually reduced to practice") in the course of work performed under a Project. The term first actually reduced to practice means the first demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in its intended environment.
Third Party	A government other than the government of a Party and any person or other entity whose government is not the government of a Party.

ARTICLE II OBJECTIVES

2.1. This AEGIS Framework MOA provides the means for the Parties to pursue individually negotiated AEGIS Combat System Project Agreements (ACS PAs) for cooperative research, development, test, evaluation, production, and life cycle support activities for technologies and systems for AEGIS-Equipped Ships.

2.2. The objectives of this AEGIS Framework MOA are to:

2.2.1. Establish a framework and general principles that shall apply to the initiation, conduct, and management of cooperative efforts in ACS PAs concluded pursuant to this AEGIS Framework MOA; and

2.2.2. Promote cooperation between the Parties in research, development, testing, evaluation, production, and life-cycle support for AEGIS-Equipped Ships.

2.3. Detailed terms and conditions of each individual ACS PA shall be consistent with this AEGIS Framework MOA. Unless specifically stated otherwise in the relevant ACS PA, the provisions of this AEGIS Framework MOA shall apply to each ACS PA under this AEGIS Framework MOA. In the event of a conflict between the provisions of this AEGIS Framework MOA and an ACS PA, the AEGIS Framework MOA shall govern. ACS PAs shall generally follow the format and content provided at Annex A (Sample AEGIS Combat System Project Agreement).

ARTICLE III
SCOPE OF WORK

3.1. The overall work to be pursued under individually negotiated ACS PAs concluded pursuant to this AEGIS Framework MOA includes research, development, test, evaluation, production, and life-cycle support activities for AEGIS-Equipped Ships. ACS PA activity may range from, but not be limited to, conceptual studies to technology demonstrations, production, loan of equipment and software for testing and evaluation purposes, and life-cycle support. However, in no instance will computer program source code be loaned or otherwise provided under this MOA.

3.2. In the event of a conflict between the provisions of this AEGIS Framework MOA and an ACS PA, the AEGIS Framework MOA shall govern, unless the Parties specifically decide otherwise and document such decision in the ACS PA. As a minimum, each ACS PA shall include Articles covering Objectives, Scope of Work, Management, Financial Arrangements, and Entry into Force and Duration. A sample ACS PA is provided as Annex A (Sample AEGIS Combat System Project Agreement) to this AEGIS Framework MOA.

3.3. Information exchanged specifically for the purpose of harmonizing the Parties requirements for formulating, developing, and negotiating ACS PAs is permitted under this AEGIS Framework MOA. If information is exchanged but no ACS PA is signed, Article IX (Disclosure and Use of Project Information) of this AEGIS Framework MOA shall apply and the receiving Party may only use such exchanged information received from the other Party for information and evaluation purposes. For purposes of applying Article XIII (Third Party Sales and Transfers), such exchanged information shall be treated as Project Background Information.

ARTICLE IV
MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4.1. The Parties shall maintain and fund their own organizations for managing this AEGIS Framework MOA and its associated ACS PAs. The Parties shall establish a Board of Principal Representatives (PR Board) for this AEGIS Framework MOA. Both Parties shall establish and identify in writing to each other their principal representative (PR) to the PR Board. For the U.S. DOD the PR shall be the Program Executive Officer for Theater Surface Combatants (PEO(TSC)). For the Spanish Navy the PR shall be the Director, Spanish Naval Construction (Director de Construcciones Navales). The PR Board shall meet and make decisions on a unanimous basis and shall be responsible for:

- 4.1.1. monitoring the overall effectiveness of the AEGIS Framework MOA;
- 4.1.2. providing recommendations to the Parties for new ACS PAs or amendment to existing ACS PAs;
- 4.1.3. providing recommendations to the Parties for the addition of new AEGIS Framework MOA Parties in accordance with Article XIV (Participation of Additional Parties);
- 4.1.4. meeting as needed to identify new potential ACS PAs; and
- 4.1.5. Designating a point of contact for the exchange of information to harmonize requirements for the development and negotiation of potential ACS PAs, in accordance with paragraph 3.3. of Article III (Scope of Work).

4.2. ACS PAs shall in most instances be directed and administered by an organization consisting of a Project Steering Committee (PSC), a U.S. Project Manager (PM), and a Spanish Deputy Project Manager (Deputy PM).

4.3. Where an ACS PA establishes a PSC, each Party shall appoint a representative to the PSC. PSC members may also be PR members. The PSC shall have overall responsibility for management of that ACS PA. In order to review the Project, each PSC shall meet as often as set forth in the ACS PA or as often as the PSC members mutually agree. The PSC meeting typically

shall be chaired by the U.S. PSC representative. Decisions of the PSCs shall be made unanimously, except those addressing the unique national requirements of a Party. In the event that a PSC is unable to reach a timely decision on an issue, both PSC representatives shall refer the issue to their higher authorities for resolution. In the meantime, the ACS PA shall continue to be implemented without interruption under the direction of the PM while the issue is being resolved by higher authorities.

4.4. For its respective ACS PA, the PSC shall be responsible for:

- 4.4.1. implementing and exercising executive-level oversight of the ACS PA;
- 4.4.2. providing policy and management direction to the PM during ACS PA execution;
- 4.4.3. approving plans to manage and control the transfer of Project Equipment to support the execution of a Project, if any, provided by either Party in accordance with Article VIII (Project Equipment) and the corresponding ACS PA;
- 4.4.4. approving plans for the disposal of jointly acquired Project Equipment in accordance with Article VII (Project Equipment) and the corresponding ACS PA;
- 4.4.5. maintaining oversight of the security aspects of ACS PAs;
- 4.4.6. if applicable, reviewing and obtaining approval from the appropriate Designated Security Authority (DSA) of a Project Security Instruction and a Classification Guide, prior to the transfer of Classified Information or Controlled Unclassified Information;
- 4.4.7. monitoring overall ACS PA implementation, including technical, cost, and schedule performance against requirements;
- 4.4.8. Monitoring Third Party sales and transfers authorized in accordance with Article XIII (Third Party Sales and Transfers); and

4.4.9. recommending ACS PA amendments to the PRs.

4.5. The PM shall be responsible for:

4.5.1. Managing the cost, schedule, performance requirements, technical, security and financial aspects of the Project described in an ACS PA;

4.5.2. Executing the approved Project Plan according to the corresponding ACS PA;

4.5.3. Developing and submitting any required changes to the approved Project Plan for an ACS PA to the PSC for approval;

4.5.4. Executing the financial aspects of the Project in accordance with Article V (Financial Provisions) and the corresponding ACS PA;

4.5.5. Referring issues to the PSC that cannot be resolved by the PM;

4.5.6. Developing and recommending amendments to this AEGIS Framework MOA and its Annexes to the PSC;

4.5.7. Developing and implementing PSC-approved plans to manage and control the transfer of Project Equipment provided by either Party in accordance with Article VIII (Project Equipment) and the corresponding ACS PA;

4.5.8. Developing and forwarding to the PSC a Project Security Instruction (PSI) and a Classification Guide (CG) for activities under this Framework MOA within three months after MOA signature and updating as appropriate the PSI and CG within three months after ACS PA signature, and implementing them upon final approval;

4.5.9. Forwarding recommendations to the PSC for the addition of new Parties in accordance with Article XV (Participation of Additional Parties);

4.5.10. Providing a semi-annual status report to the PSC; and

4.5.11. Appointing a Project security officer.

4.6. Any additional duties of the PM shall be detailed in the corresponding ACS PA.

4.7. If no PSC is formed for a specific ACS PA, then the PM shall be responsible for those PSC responsibilities identified in paragraph 4.4. above.

4.8. For typical ACS PAs, the Spanish MOD shall provide national representation by appointing a Deputy Project Manager, who shall report to the PM.

4.9. A Project Management Office (PMO) may be formed to facilitate management of an individual ACS PA.

4.9.1. The structure, responsibilities, and organization of the PMO shall be detailed in the corresponding ACS PA.

4.9.2. The Parties recognize that performance of work under an individual ACS PA may require Cooperative Project Personnel (CPP) of a Party to be assigned to work in the other Party's establishments. The provisions for the conduct of CPP assigned to another Party's establishments are included as Annex (a) (Cooperative Project Personnel for the (insert name of project) Project) to Annex A (Sample AEGIS Combat System Project Agreement).

ARTICLE V
FINANCIAL PROVISIONS

5.1. Detailed descriptions of the financial arrangements for a specific Project shall be included in the corresponding ACS PA. These shall include each Party's share, met with Financial and/or Non-Financial Contributions, of the total cost of the Project and, if jointly decided, a funding schedule. The Parties shall provide Financial or Non-Financial Contributions, or both, which represent an equitable share of the full costs of a Project. Each Party shall receive an equitable share of the results of a Project. Any collaborative effort under an ACS PA shall be carried out in the most economic manner, consistent with the need to control performance, technical, and program risk.

5.2. Each Party shall promptly notify the other Party if available funds are not adequate to fulfill its responsibilities under an ACS PA. If a Party notifies the other Party that it is terminating or reducing its funding for a Project, the Parties shall immediately consult with a view toward continuation on a modified basis. If continuation on a modified basis is not possible then the termination provisions of the corresponding ACS PA shall apply.

5.3. For ACS PAs managed by a Program Management Office (PMO) and/or under which funds are exchanged, the PM shall be responsible for establishing the detailed financial management procedures under which a Project shall operate. These procedures, which must accord with the national accounting and audit requirements of the Parties, shall be detailed in a Financial Management Procedures Document (FMPD) prepared by the PM and subject to the approval of the PSC. Each Party shall fund the Project in accordance with the estimated schedule of financial contributions contained in the FMPD, which shall be consistent with the corresponding ACS PA. In the case of ACS PAs involving work packages managed separately by the Parties, each Party shall be responsible for the establishment and management of the financial matters related to its work.

5.4. The Parties recognize that it may become necessary for one Party to incur contractual or other obligations for the benefit of the other Party prior to receipt of the other Party's funds. In the event that one Party incurs such obligations, the other Party shall make such funds available in such amounts and at such times as may be required by the Contract or other

obligation, and shall pay any damages and costs that may accrue from the performance of or cancellation of the Contract or other obligation in advance of the time such payments, damages, or costs are due.

5.5. All costs incurred in the performance of efforts under paragraph 3.3. of Article III (Scope of Work) are national costs that will be borne by the Party incurring them.

5.6. For ACS PAs with shared costs or that involve the establishment of a PMO with Cooperative Project Personnel (CPP) assignments, the AEGIS Combat System Project Agreement (ACS PA) shall address the financial and non-financial contributions required for PMO administration and associated support services including, but not limited to, PMO costs of travel incurred in support of Project efforts, PMO training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

5.7. In addition to the shared costs of PMO administration and associated support services costs described in paragraph 5.6., the cost of personnel in the PMO will be borne as follows:

5.7.1. The Host Party will bear the costs of all pay and allowances of Host Party personnel in the PMO.

5.7.2. The Parent Party will bear the following Cooperative Project Personnel (CPP)-related costs:

5.7.2.1. All pay and allowances of CPP assigned to the PMO.

5.7.2.2. Transportation of CPP, CPP dependents, and their personal property to the PMO location prior to commencement of the CPP assignment in the PMO, and return transportation of the foregoing from the PMO location upon completion or termination of the CPP assignment.

5.7.2.3. Compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the laws and regulations of the Parent Party's government.

5.7.2.4. Preparation and shipment of remains and funeral expenses in the event of the death of CPP or CPP dependents.

5.8. For ACS PAs without shared costs that involve the establishment of one or more multinational offices with CPP assignments, the Parties shall bear costs related to multilateral offices established under such ACS PAs as follows.

5.8.1. The Host Party will bear the following costs:

5.8.1.1. All pay and allowances of Host Party personnel assigned to the multinational office.

5.8.1.2. Multilateral office costs including, but not limited to, CPP assignment-related administrative and support services costs such as CPP costs of travel incurred in support of Project efforts, CPP-related training costs, Contract award, Contract administration, office space, security services, information technology services, communications services, and supplies.

5.8.2. The Parent Party will bear the following costs:

5.8.2.1. All pay and allowances of CPP assigned to the multinational office.

5.8.2.2. Transportation of CPP, CPP dependents, and their personal property to the PMO location prior to commencement of the CPP assignment at a location specified by the Host Party, and return transportation of the foregoing from this location upon completion or termination of the CPP assignment.

5.8.2.3. Compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the laws and regulations of the Parent Party's government.

5.8.2.4. Preparation and shipment of remains and funeral expenses in the event of the death of CPP or CPP dependents.